Regulation (39-) 26-105.1(c).

- (1) The vendor must establish that a sale is exempt and have records sufficient to demonstrate the validity of the exemption with reference to each sale. Exempt organizations must be able to prove to the satisfaction of the vendor that they are exempt.
- (2) If the purchase is represented by the customer to be for resale, the vendor has the duty to have on file and available to any qualified representative of the department satisfactory proof that the purchase is for resale and the sales tax account number for any such customer representing to the vendor that the sale is for resale. The vendor may call the department to verify that the customer is properly licensed.
- (3) Section 24-60-1301, (Article V.2.), C.R.S., of the Multistate Tax Compact states the following in regard to exemption certificates from states other than Colorado: "Whenever a vendor receives and accepts in good faith from a purchaser a resale of other exemption certificate or other written evidence of exemption authorized by the appropriate state or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction."